

CASH AND CASH EQUIVALENTS - Section 2

1.0	<i>Handling of Cash Receipts</i>	(APB #61, APB #66, APB #101)
2.0	<i>Deposits to the State Treasurer</i>	(APB #56, APB #69)
3.0	<i>Check Distribution and Non-Routine Voucher Authorization</i>	(APB #80)
4.0	<i>Rush Checks</i>	(APB #115)
5.0	<i>Proof of Payment, Replacement and Forged Checks, and Check Retype Requests</i>	
6.0	<i>Depository Funds and Petty Cash Reports</i>	
7.0	<i>Procedures and Contact for Lockbox Issues</i>	

SUMMARY OF CASH AND CASH EQUIVALENTS

Cash handling is a significant risk area and requires strong internal controls. The accounting definition of "cash" includes currency, bank deposits, checks and other financial instruments that can be readily converted to cash.

All employees who handle cash or checks should be familiar with and implement these policies. Supervisors are responsible for designing appropriate internal controls and for enforcing these procedures in all situations.

CASH 1.0 (Handling of Cash Receipts) details basic requirements for cash handling wherever cash is received, stored, or processed. These requirements include restrictive endorsement immediately upon receipt, weekly (or more frequent) deposits, storage in as few places as possible, control totals, and separation of duties. Receipts shall not be held pending clarification or for any other reason.

CASH 2.0 (Deposits to the State Treasurer) details procedures for deposits through the Bureau of Fiscal Services or direct to the State Treasurer, depending upon the type of organization. Office of State Treasurer "Instructions for Departmental Deposits" are included.

Normally all checks are mailed to the vendor by the Bureau of Fiscal Services unless justification is submitted according to procedures in **CASH 3.0 (Check Distribution and Non-Routine Voucher Authorization)**.

Rush checks are restricted since internal controls are often bypassed, risk of error is increased, and the cost of processing may be extremely high. See **CASH 4.0 (Rush Checks)** for detailed procedures and the respective required approvals relating to CARS and non-CARS rush checks. Rush checks will not be processed unless these procedures are followed.

Occasionally, checks need to be traced or replaced, a stop payment made, or endorsements may have been forged. Procedures and forms for these requests to the State Treasurer (directly or via The Bureau of Fiscal Services) are described in **CASH 5.0 (Proof of Payment, Replacement and Forged Checks, and Check Retype Requests)**.

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Cash and Cash Equivalents 6.0 (Depository Funds and Petty Cash Reports) applies to all contingent, petty cash, client, or other depository accounts maintained by an organization/entity.

Cash and Cash Equivalents 7.0 (Procedures and Contact for Lockbox Issues) This policy includes contacts for lockbox issues at the Office of the State Treasurer and at the State's working bank. The policy also includes procedures for making coding string changes to the lockbox, and for making changes to the lockbox which involve the State's working bank.